

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 SAJ-01 OMB-01 L-03 EB-07 COME-00 MC-02 ACDA-05

TRSE-00 /064 W

----- 030506

R 131200Z JUN 75

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 3116

INFO ASD/ISA WASHDC

OSAF WASHDC

DIA WASHDC

CSAF WASHDC

CINCEUR VAIHINGEN GE

C O N F I D E N T I A L SECTION 1 OF 2 BELGRADE 3005

FOR DIA FOR AH-4; CINCEUR ECJ4/7

E.O. 11652: GDS

TAGS: MASS MPOL PFOR YO US

SUBJ: AIR FORCE SECRETARY MC LUCAS' VISIT TO YUGOSLAVIA

REF : BELGRADE 2496

SUMMARY: AIR FORCE SECRETARY'S TWO DAY VISIT TO YUGOSLAVIA PROVIDED OPPORTUNITY FOR USEFUL SUBSTANTIVE EXCHANGES WITH YUGOSLAV DEFENSE SECRETARY AND ASSISTANT SECRETARY OF DEFENSE FOR AIR AND AIR DEFENSE FORCES ON US-YUGOSLAV MILITARY RELATIONS, EXTENSIVE CONTACT WITH HIGH-RANKING JNA OFFICERS AND TOURS OF JAF FACILITIES. YUGOSLAVS OBVIOUSLY WELCOMED VISIT AS OPPORTUNITY FOR STRAIGHT TALK ABOUT NEED TO GET ON WITH ESTABLISHMENT OF BETTER MILITARY RELATIONS. END SUMMARY

1. SECRETARY OF THE AIR FORCE AND MRS. JOHN MC LUCAS, ACCOMPANIED BY TOP AIDES, MADE PRODUCTIVE VISIT TO YUGOSLAVIA JUNE 9-11. ALTHOUGH IN BELGRADE LESS THAN 48
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HOURS DR. MC LUCAS HAD SUBSTANTIVE DISCUSSIONS WITH

DEFENSE SECRETARY LJUBICIC AND ASSISTANT FEDERAL SECRETARY OF DEFENSE FOR AIR AND AIR DEFENSE FORCES COLONEL GENERAL ENVER CEMALOVIC (HOST FOR THE VISIT), BRIEFING ON CURRENT POLITICAL AND ECONOMIC SITUATION IN YUGOSLAVIA BY AMBASSADOR AND EMBASSY STAFF, TOURS OF JAF BATAJNICA AIR FIELD NEAR BELGRADE, AND AIR TECHNICAL INSTITUTE IN ZARKOVO, AND HAD INFORMAL CONTACT WITH LARGE NUMBER OF HIGH RANKING JAF OFFICERS AT ROUND OF SOCIAL EVENTS GIVEN BY YUGOSLAVS, AMBASSADOR AND DATT.

2. IN BRIEFING AND DISCUSSIONS AT JAF HEADQUARTERS IN BELGRADE SUBURB OF ZEMUN CEMALOVIC MADE FOLLOWING SIGNIFICANT POINTS: IN DEALING WITH US COMPANIES IN ARMAMENTS FIELD GOY HAS FOUND THEM TO BE QUITE CORRECT IN ADHERING TO CONTRACT CONDITIONS, QUALITY CONTROL AND DELIVERY DEADLINES BUT PRICES OF US PRODUCTS ARE TOO HIGH AND NOT COMPETITIVE WITH EUROPEAN FIRMS. YUGOSLAVS ARE SURPRISED THAT CONSIDERING SIZE OF US PRODUCTION RUNS US PRODUCTS ARE NOT MORE PRICE-COMPETITIVE. JAF IS DETERMINED TO KEEP UP WITH TECHNICAL DEVELOPMENTS AND WILL BE FORCED TO GO WHERE IT CAN GET ITEMS OF ACCEPTABLE QUALITY AND PRICE. THE YUGOSLAVS HAVE HAD NO DIFFICULTY WITH THE TRAINING OF JNA OFFICERS IN THE US AND THERE IS NOTHING TO "PREVENT FURTHER PROGRESS" IN THIS AREA. IN CLOSING REMARKS CEMALOVIC OBSERVED EFFORTS OF BOTH SIDES TO OPEN WIDER THE DOOR OF BILATERAL MILITARY COOPERATION WHICH IS NOT ONLY marginally OPEN; AT OTHER POINTS IN CONVERSATION HE NOTED MODEST LEVEL OF MILITARY COOPERATION COMPARED TO THAT OF NON-MILITARY SECTOR AND IN REFERENCE TO HIGH PRICES OF US PRODUCTS SAID THAT YUGOSLAVS HAVE GAINED IMPRESSION THAT THERE IS NO WILLINGNESS ON US SIDE TO COOPERATE WITH THEM.

3. THE SECRETARY STATED INTER ALIA THAT HIS VISIT INDICATED US DESIRE FOR BETTER COOPERATION WITH YUGOSLAV MILITARY. HE UNDERTOOK TO EXPEDITE A REPLY TO JNA LETTER SENT TO PENTAGON IN FEBRUARY. HE STATED THAT HE US IS COMPETITIVE IN PRICE ON SOME MILITARY ITEMS AND STRESSED RELIABILITY OF US SUPPLIERS, AND BENEFITS OF SYSTEMS-CONCEPT DEVELOPED BY US FIRMS WHICH INCLUDES SUPPLY OF PARTS, TECHNICAL SUPPORT AND TRAINING. DR. MC LUCAS EMPHASIZED THAT US WILL BE VERY COOPERATIVE IN HELPING YUGOSLAVIA FIND SOLUTION TO THEIR SUPPLY PROBLEMS AND

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INVITED A JAF TECHNICAL TEAM TO VISIT US TO EXPLORE RANGE OF AVAILABLE SOLUTIONS.

4. THE AMBASSADOR SUGGESTED THAT IT WOULD BE HELPFUL IF THE JNA WOULD SUBMIT A LIST OF PRIORITY MILITARY ITEMS IT WISHED TO OBTAIN FROM THE US TO HELP BOTH SIDES FOCUS CONSIDERATION MORE PRECISELY. HE ADDED THAT WHILE THERE IS NO QUESTION OTHER COUNTRIES CAN SOMETIMES PRODUCE EQUIPMENT AT

LOWER PRICES THAN US FIRMS CAN, HE WISHED TO ASSURE YUGOSLAVS THAT THERE ARE NO POLITICAL CONSIDERATIONS IN PRICE USG CHARGES FOR EQUIPMENT. HE HAD PERSONALLY CHECKED INTO PRICING OF JNA ORDER OF EIGHT INCH AMMUNITION AND SATISFIED HIMSELF THAT THIS IS SO; THE US DOES NOT RAISE OR LOWER PRICES OF MILITARY ITEMS FOR POLITICAL REASONS.

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INR-07 NSAE-00 EB-07 COME-00 OMB-01 TRSE-00 MC-02

ACDA-05 SAJ-01 /064 W

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R 131200Z JUN 75

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 3117

INFO ASD/ISA WASHDC

OSAF WASHDC

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5. CEMALOVIC AGREED TO PROVIDE A SUGGESTED LIST OF JNA PRIORITY NEEDS IN NEAR FUTURE AND ACCEPTED INVITATION FOR JAF TECHNICAL TEAM VISIT AT UNSPECIFIED TIME IN FUTURE.

6. WHILE LJUBICIC EXPRESSED DESIRE TO IMPROVE MILITARY RELATIONS WITH US, HE NOTED POINTEDLY THAT THEY LAG BEHIND OTHER CATEGORIES OF CONTACTS. HE SPECULATED CAUSE MIGHT LIE IN LACK OF US UNDER-STANDING OF YUGOSLAV POLICY ORIENTATION AND SUSPICION OR DOUBTS WHICH LEAD TO LIMITATIONS ON SUPPLYING US MILITARY EQUIPMENT TO YUGOSLAVIA. HE ALSO NOTED THAT, JUST AS THERE ARE SOME IN US WHO MAY OPPOSE MILITARY COOPERATION WITH YUGOSLAVIA, THERE ARE SOME PEOPLE HERE WHO DO NOT FAVOR CLOSER TIES WITH US. AT CEMALOVIC'S REQUEST

AMERICAN DELEGATION REPEATED TO LJUBICIC POINTS THEY HAD MADE IN OTHER MEETING. SECRETARY MCLUCAS ALSO STRESSED US INTERESTS IN INCREASING THE NUMBER OF YUGOSLAV OFFICERS WHO RECEIVE TRAINING IN US, AND SAID WE WOULD WELCOME MORE VISITS BY SENIOR YUGOSLAV OFFICERS. LJUBICIC EXPRESSED INTEREST IN ARRANGING FOR REPRESENTATIVES OF YUGOSLAV MILITARY INDUSTRY
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TO OBSERVE MODERN PRODUCTION TECHNIQUES IN US WEAPONS PLANTS AS MEANS OF DRAWING ON US EXPERIENCE FOR MODERNIZING YUGOSLAV ARMAMENTS INDUSTRY. HE ALSO SAID JNA IS INTERESTED IN UNCLASSIFIED, PRACTICAL AND TECHNICAL DETAILS OF USAF'S PROJECTED DEVELOPMENT TO YEAR 2000. LJUBICIC CONCURRED IN CEMALOVIC'S DECISION TO SUBMIT LIST OF PRIORITY ITEMS AND WITH RESPECT TO PRICE OF EIGHT-INCH AMMUNITION, HAD NO REASON TO DISBELIEVE AMBASSADOR'S ASSURANCES THAT PRICE WAS NOT INFLUENCED BY POLITICAL CONSIDERATIONS.

7. KNOWLEDGABLE YUGOSLAV OFFICERS LATER TOLD EMBASSY STAFF MEMBER THAT JNA HAD DECIDED TO BUY EIGHT-INCH AMMUNITION AT US ASKING PRICE. WE ASSUME THIS WILL BE CONFIRMED TO FMS SHORTLY.

8. IT EMERGED IN SUBSTANTIVE DISCUSSIONS THAT JNA IS INTERESTED IN OBTAINING THE FOLLOWING ITEMS FF MILITARY EQUIPMENT: A NEW TRANSPORT PLANE TO REPLACE ANTIQUATED C
#7S

RADAR, SIGNAL AND COMMUNICATIONS EQUIPMENT; MOST MODER AVIONICS AND ARMAMENTS; LICENSE TO PRODUCE COLLINS RADIO COMPASS DF-206.

9. YUGOSLAWS DID NOT DISPLAY ANY EQUIPMENT OF SPECIAL INTEREST IN VISITS TO BATAJNICA AND TECHNICAL INSTITUTE. THEY AHD STANDARD LINE-UP OF DOMESTICALLY PRODUCED MILITARY ARICRAFT AT BATAJNICA EXCEPT THAT NEW-FIGHTER BOMBER "ORAO" WAS AWAY IN FACTORY FOR "TECHNICAL MODIFICATIONS."

10. COMMENT: YUGOSLAWS OBVIOUSLY WELCOMED VISIT AS OPPORTUNITY FOR STRAIGHT TALK ABOUT NEED TO GET ON WITH ESTABLISHMENT OF BETTER MILITARY RELATIONS. THERE WAS EDGE ON MANY OF THEIR MORE CANDID COMMENTS AND WE NOTED EXPRESSIONS OF HOSPITALITY SOMEWHAT MUTED IN COMPARISON WITH PREVIOUS MILITARY VISITS, ALTHOUGH OTHER FOREIGN VISITORS IN TOWN AT SAME TIME OF MC LUCAS VISIT MAY HAVE CPMPETED FOR JAF TIME AND ATTENTION. MEMCONS ON SUBSTANTIVE DISCUSSIONS FOLLOW BY AIRGRAM.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, MINISTERIAL VISITS, MILITARY POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BELGRA03005
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750206-0920
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750650/aaaabswk.tel
Line Count: 219
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BELGRADE 2496
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUL 2003 by KelleyW0>; APPROVED <03 JUL 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AIR FORCE SECRETARY MC LUCAS' VISIT TO YUGOSLAVIA
TAGS: MASS, MPOL, PFOR, YO, US, (MCLUCAS, JOHN L)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006